



**Governor's Task Force
On Modernizing
Transportation
Funding In Idaho**

Final Report



January 2011

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Executive Summary

Established by Governor Otter's Executive Order 2009-11, members of the Governor's Task Force on Modernizing Transportation Funding in Idaho met nine times in a period of 15 months from August 2009 to November 2010. The task force formed a subcommittee to address public transportation funding needs, and also formed a cost allocation subcommittee to address user equity between various vehicle classes. The task force accepted the findings of both subcommittees.

The task force received testimony and presentations on transportation funding needs from national experts, transportation-related organizations, state and local governments and members of the public.

The topics the task force members studied included needs for state and local highway systems and metropolitan planning organizations, public transportation, capacity and safety enhancement, user equity, federal funding impacts, economic benefits and many others.

The task force confirmed Idaho's significant and growing transportation funding shortfall. Through surveys, members acknowledged the following averaged additional amounts are needed:

- \$155 million annually for operation, preservation and restoration of the state system,
- \$107 million annually for operation, preservation and restoration of the local system,
- \$207 million annually for capacity and safety enhancement for the state system, and
- \$74 million annually for capacity and safety enhancement for the local system.

The task force also voted to submit six recommendations to the Governor for consideration as follows (see Chapter 8):

- Options studied and ranked by the task force should be forwarded for consideration by the Governor and Legislature. The options were ranked in eight categories including revenue predictability, fairness and cost and ease of implementation (see Revenue Options Matrix in the Appendix).
- Revenue enhancements should be aligned to improve cost equity among various vehicle classes.
- Local jurisdictions should be allowed to increase public transportation revenue using the options outlined in the public-transportation portion of the Revenue Options Matrix.
- The germane committees should examine implementation of new methods to allocate funds to local jurisdictions in a manner that incentivizes efficiency and ensures the funds are used efficiently.
- The Legislature should accept the recommendation of the Legislative Alternative Funding Task Force to continue the 3% distribution from the state fuel tax to the Idaho Department of Parks and Recreation.
- The Legislative Alternative Funding Task Force should address a funding shift from the Idaho State Police to the State Highway Account, which causes the need for a new funding source for ISP.

CHAPTER 1

Appointment and Duties of the Task Force

Executive Order 2009-11

On June 23, 2009, Governor C.L. “Butch” Otter signed Executive Order 2009-11, establishing the Governor’s Task Force on Modernizing Transportation Funding in Idaho. The Executive Order cited several issues leading to the creation of the task force, including:

- A reliable, resilient, and effective transportation system is essential for public safety and Idaho’s long-term economic prosperity.
- The current transportation revenue structure will not meet Idaho’s pressing or long-term transportation funding needs.
- The Office of Performance Evaluation’s Audit released in January 2009 found that current funding for transportation cannot keep pace with the growth in costs to meet Idaho’s basic transportation needs. The audit determined that a significant revenue enhancement is merited.

Task Force Duties

The Executive Order established clear directives for the task force, including:

- Consider both traditional and non-traditional sources of revenue for maintenance and preservation of highways and bridges, such as revisions to the rates, methods, and manner of calculating any and all taxes, fees, and registrations relating to fuels, motor vehicles, and motor carriers.
- Provide findings and recommendations to the Governor by December 1, 2010.

Composition of the Task Force

The Executive Order established a task force comprised of:

- The Lieutenant Governor, Chairman
- The Chair of the Senate Transportation Committee
- The Chair of the House Transportation and Defense Committee
- Four members of the Idaho House of Representatives, including one member from the minority party
- Four members of the Idaho Senate, including one member from the minority party

- Four members of the public, knowledgeable in the state’s transportation system and funding mechanisms.
- The Chair and another member of the Idaho Transportation Board (both are non-voting, ex officio members).

The task force established two subcommittees to address cost allocation issues, discussed in Chapter 6 and public transportation needs, discussed in Chapter 7.

Task Force Members

- | | |
|--|--|
| <ul style="list-style-type: none"> • Brad Little, Lieutenant Governor, Chairman • John McGee*, State Senator, Chairman, Senate Transportation Committee • JoAn Wood*, State Representative, Chairman, House Transportation and Defense Committee • Mark Bowen*, Past Chair, Boise Metro Chamber of Commerce • Bert Brackett, State Senator • Marv Hagedorn**, State Representative • Gordon Cruickshank**, Valley County Commissioner • Shawn Keough*, **, State Senator • Bill Killen*, **, State Representative • Jim Kempton*, President, Idaho Public Utilities Commission | <ul style="list-style-type: none"> • Edgar Malepeai*, State Senator • Dennis Lake, State Representative • James Riley*, President, Intermountain Forest Association • Chuck Winder**, State Senator • Leon Smith**, State Representative • Ex-Officio Member Darrell V Manning, Idaho Transportation Board Chairman • Ex-Officio Members of the Idaho Transportation Board, participating one at a time, on a rotating basis <ul style="list-style-type: none"> - Jim Coleman, District 1 - Jan Vassar, District 2 - Jerry Whitehead, District 3 - Gary Blick, District 4 - Neil Miller, District 5 - Lee Gagner, District 6 |
|--|--|

*Cost Allocation Subcommittee Member

**Public Transportation Subcommittee Member
(Chaired by David Bennion)

CHAPTER 2

Overview of the Transportation System and its Importance to the Economy

One Interconnected Network of Roads, Bridges, and Highways

Idaho's transportation system is an integrated network of roads, bridges, and highways managed by nearly 300 local highway jurisdictions (cities, counties, highway districts) and the Idaho Transportation Department. These agencies must fund and manage a large, interconnected system comprised of:

- 49,000 lane miles of paved roads
- 4,137 bridges (*17.1 million square feet of bridge deck*)
- 28 public transportation providers

The public's primary expectation of the system is that it is safe, efficient, and open for business.

Beyond the Roads — What it Takes to Keep the System Open and Operating

To operate the roads and bridges listed above, Idaho's transportation agencies must fund:

- Road Equipment
- Maintenance Yards
- Sand and Salt Stockpiles
- Rest Areas
- Ports of Entry
- Motor Vehicle Offices (state and county)
- Public Transportation
- A Skilled Workforce

Providing a Safe, Usable Transportation System

Idaho highways are a pleasure to use when they are new and smooth. However, a smooth, safe surface does not last forever. Over time, pavement surfaces begin to slowly deteriorate.

Summer heat, winter cold, rain, and ice all have a direct impact on the condition of Idaho's highways.

That impact is compounded by the wear and tear caused by vehicle traffic. As the years go by, a once smooth highway begins to show its age with the appearance of cracks and potholes.

If a highway is not maintained, it will crumble to the point that it must be completely replaced with an expensive reconstruction project. The only cost-effective alternative to letting a highway crumble is to have a regularly scheduled maintenance and preservation program.

Maintenance and preservation projects save money, create jobs, and significantly increase the safety and useful life of roads and bridges. These projects require a predictable, steady source of funding.

Operations and Maintenance Activities

The top priority of state and local transportation agencies is safety. Whether it be in the form of public-information campaigns to improve driver behavior, or something as simple as repainting the reflective striping on a winding mountain road, safety is at the core of every transportation agency function.

After a road, bridge, or highway is constructed, transportation agencies need to keep it maintained, open, and operating. There are many activities and functions required to keep Idaho's multi-modal transportation system functioning safely, including:

- Winter Operations (snow and ice control)
- Traffic Signals
- Lighting Systems
- Guardrail Repair
- Striping
- Planning
- Transportation Administration
- Bridge Repair
- Pavement Maintenance
- Crack Sealing
- Signs
- Development Coordination
- Public Transportation
- Motor Vehicle Offices (state and county)

Preservation and Restoration Activities

Maintenance projects alone cannot keep roads and bridges operating indefinitely. Every road and bridge needs regularly scheduled preservation and restoration projects such as:

Highways

- Seal Coating
- Pavement Preservation
- Pavement Replacement

Bridges

- Bridge Cleaning
- Bridge Preventative Maintenance
- Bridge Deck Replacement
- Total Bridge Replacement

Material Costs are Rising

ITD's material costs have increased dramatically since 1999, as illustrated by the examples below:

MATERIAL TYPE	COST 1999 - 2003	COST 2004 - 2006	COST 2008 - 2009	COST 2010	% INCREASE 1999 - 2010
Oil for Asphalt (per ton)	\$211 Belgrove to Mica 2001	\$290 I-90 Paving 2006	\$865 Osgood to Roberts 2009	\$779 Menan/Lorenzo I.C. 2010	269%
Plant Mix Paving (per ton)	\$29.94 Arrow to Turkey Farm 1999	\$44.45 Lewiston Hill to Genesee 2004	\$60.00 U.S. 95, Milepost 430 - 436, 2004	\$54.00 Homedale Rd Beet to Farway, 2010	80%
Aggregate for Base (per ton)	\$7.07 Yale Road, Cassia County 2003	\$14.32 Twin Falls Alt. Rt, Stage 1 2005	\$11.80 Chubbuck to Poc. Cr. IC 2009	\$17.80 Fairgrounds to 20th St. St. Maries, 2010	152%
Base Rock (per ton)	\$5.26 Arrow to Turkey Farm 1999	\$13.61 Lewiston Hill to Genesee 2004	\$12.75 Twin Falls Alt. Route 2009	\$15.00 Salt Lake I.C. to Raft River I.C., 2010	185%
Bridge Deck Concrete (per sq. yard)	\$298 South Fork Palouse River 2003	\$784 I-84, Milepost 17 - 23 2006	\$581 Twin Falls Alt. Route 2009	\$755 Menan/Lorenzo I.C. 2010	153%

Idaho's Roads and Bridges are Aging

Idaho has made progress in improving its pavement condition since it was 60% good or fair in 1992. However, after achieving 85% in 2002, Idaho's percentage of good or fair pavement began decreasing again. In 2010, approximately 82% of pavement on the state highway system was in good or fair condition.

Approximately 35% of Idaho's bridges were built in the 1950s and 1960s during the interstate construction era.

About half of Idaho's bridges will be 50 years old or older within the next eight years. Almost 370 bridges were built prior to World War II.

These old bridges will require an infusion of funds for rehabilitation, reconstruction, and replacement.

Roads and Bridges Fuel Idaho's Economic Engine

Every business in Idaho relies on an efficient network of roads and bridges to ship and receive products.

To remain profitable, Idaho's 150,000 businesses require an efficient, well-maintained transportation system.

- More than 150 million tons of products are transported on Idaho roads annually
- Idaho manufacturers ship more than \$15 billion in products within the state annually
- Idaho businesses have approximately 600,000 employees who must travel to and from work
- Business survival and recruitment is dependent on an efficient and competitive road system

Recreation and Tourism

Out-of-state visitors to Idaho spend \$2.7 billion in Idaho every year. Idaho residents spend even more as they travel to enjoy the many outdoor experiences that make Idaho one of the greatest places in the nation to live and recreate.

Idaho's recreation and tourism industry is a vital part of the state's economy, but it requires roads and bridges to allow rafters, boaters, skiers, hunters, fishermen, and campers to travel to and from their destinations.

Agriculture

Farmers and ranchers from Bear Lake to Priest Lake need an extensive network of roads and bridges to get their products from the field to national and international markets. The growth of Idaho's lucrative agriculture industry in the last five decades is directly tied to the efficiency of the transportation system.

Without efficient, well-maintained routes to international markets, Idaho's world famous potatoes would be little more than a local favorite.

CHAPTER 3

Current Transportation Funding — State and Local —

State Transportation Funding Sources

Idaho is one of the few states that do not supplement transportation funding with income from sources such as sales taxes, general funds, and local option sales taxes. All of Idaho's state transportation funding comes from four primary sources:

- Federal Fuel Taxes — The federal gasoline tax is 18.4 cents per gallon. The federal diesel tax is 24.4 cents per gallon. They have not increased since 1993.
- State Gasoline and Special Fuel (Diesel) Taxes — Idaho's fuel tax has been 25 cents per gallon since 1996, excluding the Petroleum Clean Water Trust Fund. Prior to 1996, the Idaho Legislature periodically adjusted fuel tax rates upward, usually in small increments to keep pace with rising inflation. It has now been 14 years since the fuel tax was last adjusted.
- Passenger Vehicle Registrations — Statewide, the registration fees (used for road and street construction) for passenger cars are based on vehicle age, and have not been increased since 1996. Vehicle owners pay annual registration fees according to the following schedule:
 - One- to two-year-old vehicles \$48
 - Three- to six-year-old vehicles \$36
 - Vehicles older than six years \$24

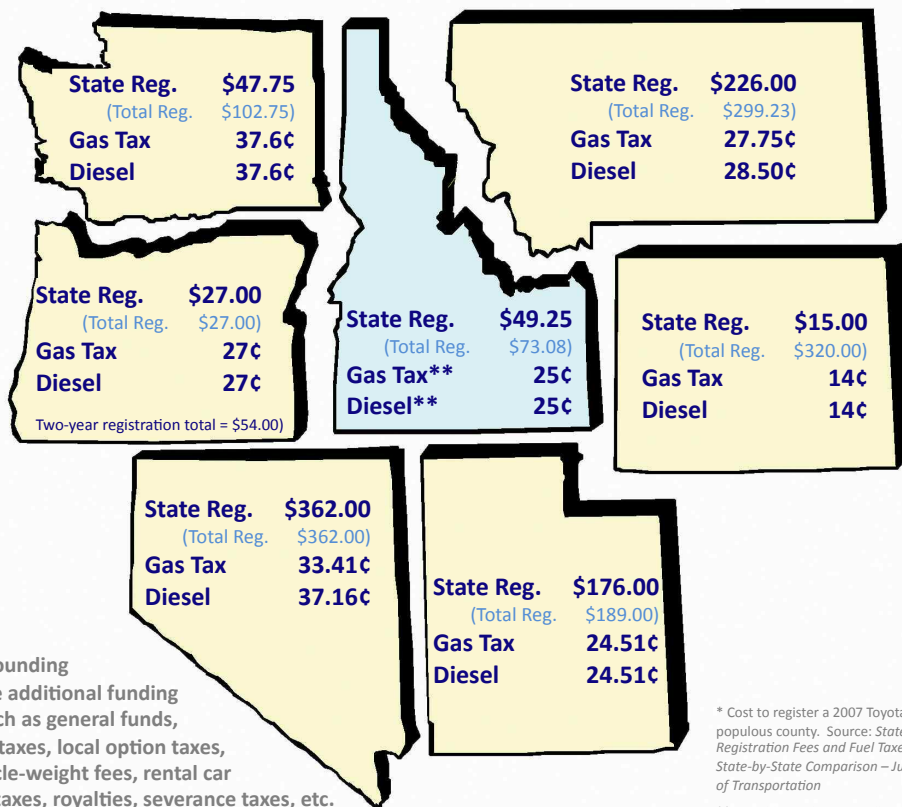
Note: The map on the following page shows registration and fuel tax for the surrounding states.

- Truck Registrations — Trucks with gross vehicle weights between 8,000 and 60,000 pounds pay registration fees based on weight group and type of operation. Trucks with gross vehicle weights higher than 60,000 pounds pay a single registration fee calculated by truck weight and mileage group. Over-legal permits are also available for carriers operating vehicles over their registered configuration.

The most common weight for a truck in Idaho is 80,000 pounds. The Full Fee table below lists the cost to register an 80,000 pound truck driving 100 percent of its miles in Idaho:

80,000 POUND TRUCK	FULL FEE (ALL IDAHO MILES)
- 1 to 7,500 Miles	\$480
- 7,501 to 20,000 Miles	\$1,100
- 20,001 to 35,000 Miles	\$1,700
- 35,001 to 50,000 Miles	\$2,300
- Over 50,000 Miles	\$3,360

Surrounding States' Registration* and Gas Tax Rates



Annual State Fees and Taxes to Operate a 2007 Camry

NEVADA	\$ 562.46
MONTANA	\$ 392.50
UTAH	\$ 323.00
WASHINGTON	\$ 273.35
IDAHO	\$ 205.25
OREGON	\$ 189.25
WYOMING	\$ 99.00

(12,000 miles/year at 20 mpg)
Does not include local fees

NOTE

Some surrounding states have additional funding sources such as general funds, extraction taxes, local option taxes, gross-vehicle-weight fees, rental car taxes, toll taxes, royalties, severance taxes, etc.

* Cost to register a 2007 Toyota Camry in the county seat of each state's most populous county. Source: *State-by-State Comparison of Annual Motor Vehicle Registration Fees and Fuel Taxes, 2008*. Fuel Tax Rate Source: *Fuel Taxes: A State-by-State Comparison – June, 2009 prepared by the Washington State Dept. of Transportation*

** An additional 1¢ per gallon is added for the Petroleum Clean Water Trust Fund (effective 10-1-07)

Governor's Taskforce on Modernizing Transportation Funding, April 2010

Distribution of HDA Revenues

The Highway Distribution Account (HDA) revenue is distributed per the formula in Section 40-701, Idaho Code:

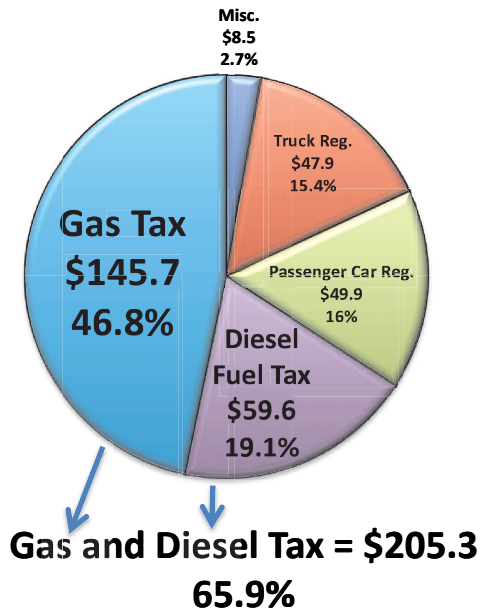
- 5% to the Idaho State Police
- 38% to local transportation jurisdictions
- 57% to the Idaho Transportation Department

The two pie charts on the following page show the HDA revenue sources for FY09, and how the revenue was distributed. In FY09, gas and diesel tax comprised 65.9 percent of HDA revenue.

FY09 Revenue Total Net to the Highway Distribution Account

(dollars in millions and rounded)

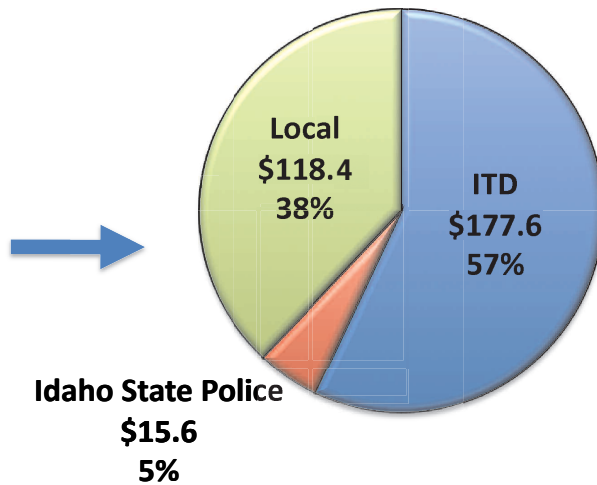
Total Revenue: \$311.6



FY09 Distribution of Revenue from the Highway Distribution Account

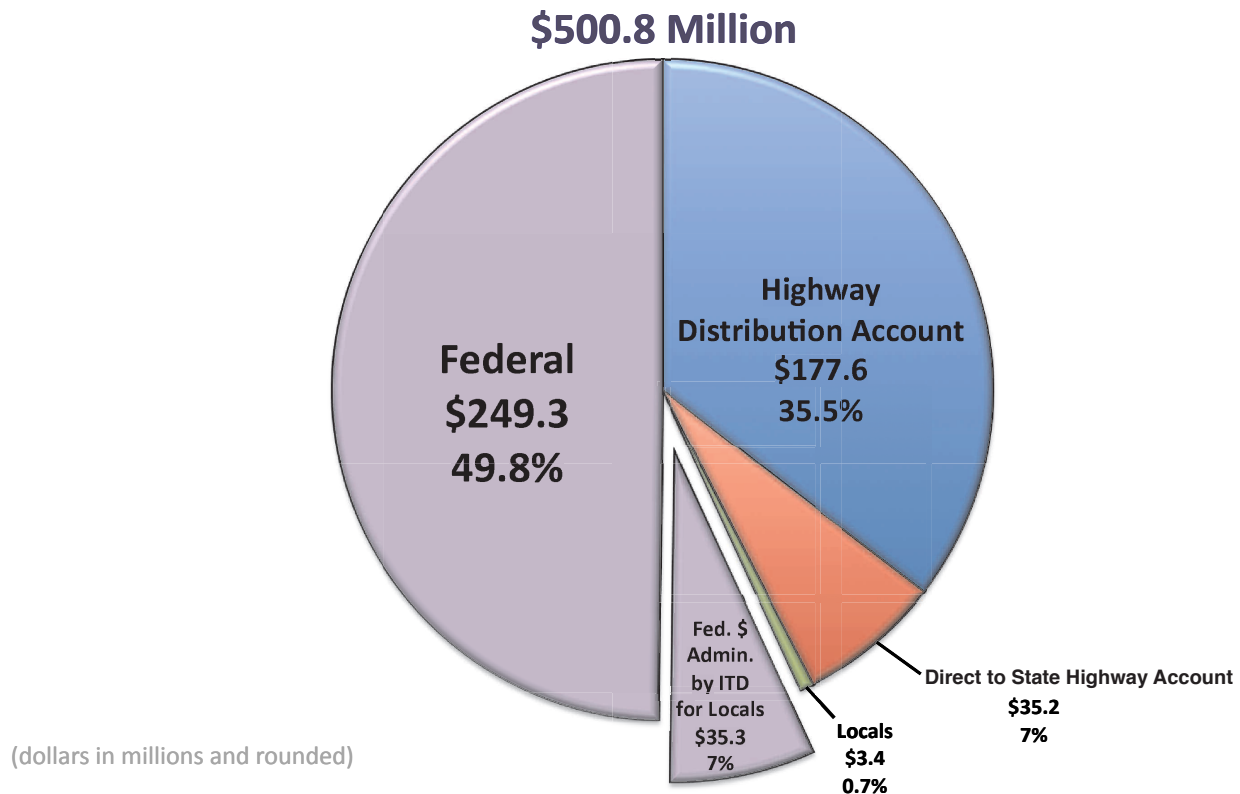
(dollars in millions and rounded)

Total Revenue: \$311.6



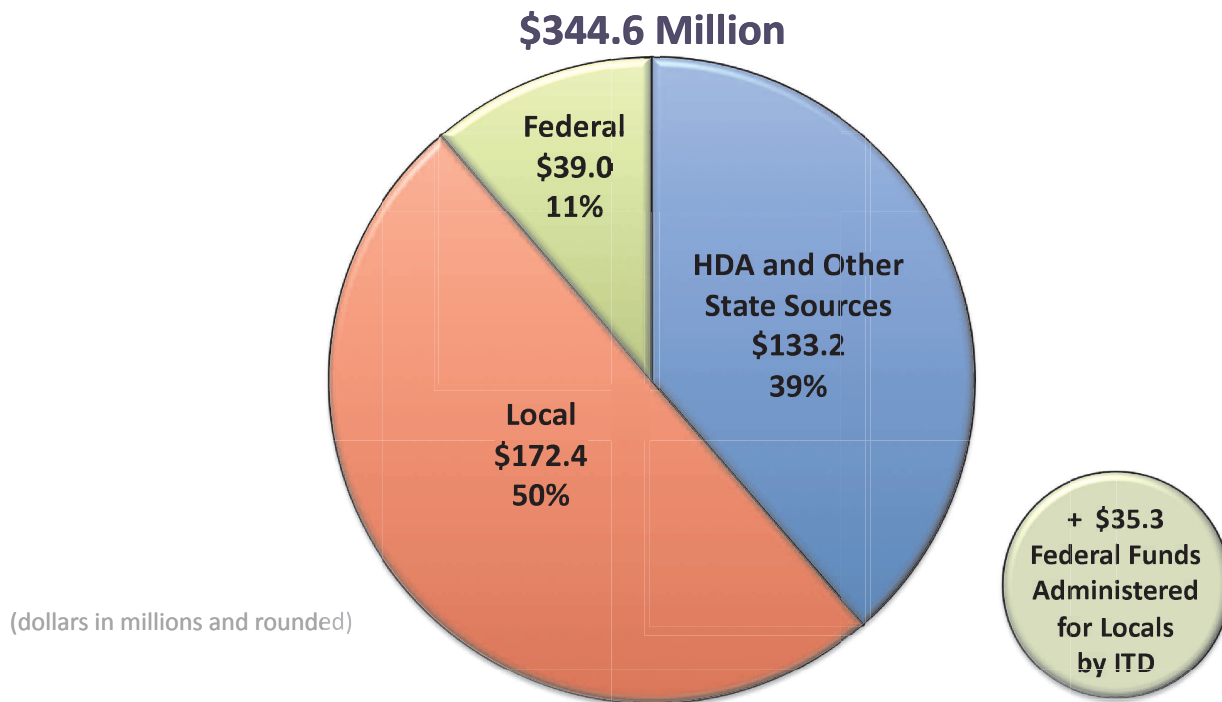
State Highway Account Funding Sources

The chart below shows the 2009 funding sources for the State Highway Account.



Local Transportation Funding Sources

The chart below shows the 2009 transportation funding sources for local jurisdictions (cities, counties, and highway districts).



Idaho's Transportation Revenues are not Keeping Pace with Growth

Idaho was the fifth-fastest-growing state in the nation between 2001 and 2009. During that time Highway Distribution Account revenue decreased by 0.4%.

Why Idaho's Growth is not Generating Adequate Transportation Funding

- Idahoans continue to buy more fuel-efficient vehicles, further widening the gap between available revenue and transportation needs.

For example, at the current fuel tax rate of \$.25 per gallon, the owner of a vehicle getting 20 miles per gallon who drives 12,000 miles per year would pay \$150 in fuel tax. When that owner replaces the vehicle with a newer one that gets 25 miles per gallon, to drive the same 12,000 per year, he would only pay \$120.00 in fuel tax or 20% less for the same use of the system.

- Vehicles have made increasing gains in fuel efficiency—from an average of 14.3 miles per gallon in 1978 to 22.6 miles per gallon in 2008 (FHWA Highway Statistics, FHWA Table VM-201a and FHWA Table VM-10). This trend will continue as hybrid and alternative-energy vehicles gain popularity.

Poor Transportation Systems Cost Us All

- Traffic congestion increases travel times and wastes fuel.
- Increases in travel times and wear and tear on vehicles increases costs for everyone.
- Restricted bridges limit commerce by increasing travel distances for trucks that are too heavy, too tall, or too wide to travel over restricted bridges.
- Rough roads and bridge decks increase the wear and tear on tires and vehicles and jeopardize public safety.
- Delaying road and bridge preservation projects forces the need for more costly restoration projects.

Idaho's Transportation System is at a Critical Point

The future of Idaho's transportation system is at a critical juncture. The ability to travel to and from work, the delivery of freight and farm products, and the scenic drives to Idaho's world-renowned mountains, lakes, rivers, and ski resorts all rely on an efficient transportation system.

Failing to meet the increasing demand for transportation will threaten Idaho's ability to compete in the marketplace, weaken the economy, and jeopardize jobs and the public's quality of life.

To address the increasing demands on the system caused by the fifth-highest population growth in the nation, state and local agencies have added more than 4,000 lane miles since 1995. That is the equivalent of building one new two-lane highway between Twin Falls and Boise every year, for 15 years. Most of those miles were paid for by private project developers.

Adding 4,000 new lane miles increased the size of Idaho's transportation system, but there has been no funding adjustment to address the corresponding increase in maintenance and operation costs.

CHAPTER 4

Transportation Funding Needs

The Difference between Wants and Needs

People have both wants and needs. They may want a high-speed, non-congested highway, but they may not approve of the cost to build such a system through Idaho's rugged terrain. However, in survey after survey, Idahoans have clearly said they "need" a safe, efficient transportation system that is open for business and meets Idaho's immediate and long-term needs.

Roads and bridges do not have wants, but they do have needs. If the needs of any road or bridge are not met, it will deteriorate and become dangerous. Alternate routes around restricted bridges increase costs to motor carriers. These are the main reasons state and local transportation experts plan and fund regularly scheduled maintenance, preservation, and restoration projects for roads and bridges.

Pavement Needs (*Lane miles as of 2009*)

State and local agencies maintain approximately 49,000 lane miles of paved roads. To keep Idaho's paved roads from aging beyond their design life, approximately 500 lane miles (292 state, 217 local) of preservation and restoration work need to be done annually in addition to what is currently programmed (see table on page 14).

(Note: there are approximately 99,000 total paved and unpaved lane miles in Idaho.)

Bridge Needs (*square feet of bridge deck as of 2009*)

State and local agencies maintain approximately 17 million square feet of bridge deck. To keep Idaho's bridges from aging beyond their design life, approximately 250,000 square feet (166,000 state, 91,000 local) of bridge deck preservation and restoration work needs to be done annually in addition to what is currently programmed (see table on page 14).

Annual Level of Additional Preservation and Restoration Work Needed

The table on the following page shows the average number of state and local lane miles preserved or re-constructed annually, and two scenarios that would more adequately address the transportation system's needs.

- Scenario 1 would maintain the system's current condition.
- Scenario 2 would achieve current state and local system condition goals.

State and Local Pavement and Bridges

(annual level of additional preservation and restoration work)

State	Preservation		Restoration	
	Pavement Lane Miles	Bridge Square Feet	Pavement Lane Miles	Bridge Square Feet
Average FY10 -FY13 State Program	310	54,000	93	115,000
Scenario 1 (maintain current system condition)	190 500*	0 54,000*	57 150*	122,000 237,000*
Scenario 2 (achieve performance goals)	190 500*	0 54,000*	102 195*	166,000 281,000*

Local

Existing Funding	196	11,000	206	29,000
Scenario 1	97 293*	0 11,000*	101 309*	85,000 114,000*
Scenario 2	97 293*	0 11,000*	120 326*	91,000 120,000*

*Needed to achieve scenario requirements

CHAPTER 5

Funding Level Scenarios

Task Force Discusses Two Funding Scenarios

The task force discussed two funding scenarios to address the transportation system's needs for operations, preservation, and restoration (OPR), and one needs assessment to address capacity and safety enhancement.

- OPR Scenario 1 would maintain the system's current condition
- OPR Scenario 2 would achieve current state and local system condition goals

Task force member Jim Kempton performed an independent regression analysis to examine future revenue needs based on previous transportation expenditures. When ITD's average capacity and safety enhancement expenditure of \$39 million from FY1990 to FY2009 is subtracted from \$201 million, the result of \$162 million for operation, safety, and enhancement almost exactly matches Scenario 2 for the state system.

At current inflation levels, Funding Scenario 1 will increase by about \$10 million annually and Funding Scenario 2 will increase by about \$13 million annually. Based on this information, task force members completed a survey and indicated a funding range they would support. The survey results are averaged below.

Funding Scenarios for Additional Revenue

— Dollars in Millions and Rounded —

OPERATION, PRESERVATION, AND RESTORATION	Scenario 1 (maintain current condition)	Scenario 2 (achieve performance goals)	Task Force Survey Avg.
State <i>(includes MPOs)</i>	\$119	\$160	\$155
Local <i>(includes MPOs)</i>	\$109	\$127	\$107
TOTAL:	\$228	\$287	\$262

CAPACITY AND SAFETY ENHANCEMENT	Possible Scenario	Possible Scenario	Task Force Survey Avg.
State <i>(includes MPOs)</i>	\$283	\$283	\$207
Local <i>(includes MPOs)</i>	\$62+	\$62+	\$74
TOTAL:	\$345	\$345	\$281

Jim Kempton's Analysis*
State = \$201
Local = \$158
Total: \$359

*Jim Kempton's regression analysis does not specifically address capacity and safety enhancement except for the capacity and safety projects that were included in **past** surface transportation expenditures.

Total Needs: \$573 \$632 \$543

CHAPTER 6

Highway Cost Allocation Study

Overview

The Idaho Transportation Department hired Battelle to perform a highway cost allocation study for the Idaho Transportation Board to be used in conjunction with the Governor’s Transportation Funding Task Force. A task force subcommittee oversaw the cost-allocation study, including study inputs and modeling methods.

The 2010 Idaho Highway Cost Allocation Study (HCAS) examined the equity of Idaho’s highway user tax structure. The HCAS was designed to determine the share of costs each road user class pays through highway user taxes and fees for the construction, maintenance, operations, and related costs of highways, roads, and bridges in a state.

By comparing highway user payments to cost responsibilities estimated within the HCAS, the study examined the equity of Idaho’s highway user tax system.

Task Force Equity Goals

The task force gave significant consideration to cost allocation and expressed a desire to improve equity, while balancing the need to avoid economic hardship for any single class of highway users. The task force resolutions (see page 24) reflect a philosophy to focus on state funds because states have limited ability to control the use of federal funds, and to use data that reflects the actual debt payments for the GARVEE program rather than total expenditures—in the same way a homeowner would view mortgage payments in an overall budget.

Summary of the 2010 Highway Cost Allocation Study

1. The HCAS is an analysis of the equity of highway-user tax systems. It sought to answer such questions as:

- Do highway users as a whole pay the full cost of highways?
- How do broad classes of highway users compare with each other in terms of paying their estimated shares of highway costs?
- Are some classes of users overpaying or underpaying and, if so, by how much?
- Are there specific changes in the tax structure or tax rates that will improve equity among highway users?

2. What data was used in the HCAS?

- The study looked at all sources of money (state and local) used on the roads (state and local) and then compared the revenue collected from the various classes of users and where the money is spent to estimate an equity ratio.
- The study was based on a national model developed by the Federal Highway Administration.

3. What is an equity ratio?

- An equity ratio is the ratio of the share of revenues paid by a highway-user group to the share of costs imposed by that group. A user group that meets 110% of its cost responsibility would be assigned an equity ratio of 1.1. Equity ratios above 1.0 are assigned to user groups that are paying more than their cost-responsible share, where payments from user groups assigned equity ratios of less than 1.0 fall short of the costs imposed by the group.

4. What are the equity ratios for the 2010 Idaho HCAS?

- Automobiles have an equity ratio of 1.08 in state funding only. This means that under the six-year window of highway expenditures studied, passenger vehicles are paying 8% (state funds) more than their cost responsibility of state highway user fees.
- Combination trucks have an equity ratio of .86. This means that under the current taxing structure for the six-year window of highway expenditures, combination trucks operating in Idaho are underpaying by 14% (state funds).

5. Major impacts to the equity ratios from previous years:

- Heavy construction projects funded by the GARVEE Program. This HCAS ran a sensitivity analysis on equity ratios with the full expenditures of the GARVEE program during the six-year time period and compared that to the amount spent on debt service for the GARVEE program for the same period.
- Regardless of the source of funds, the types of projects funded with bond proceeds would have had the same impact on the HCAS. Thus under the “debt service” analysis of the impact of the GARVEE program, the analysis would not be different if the same amount spent on debt service was spent on similar types of heavy projects.
- The impact on the equity ratio is due to the emphasis on major interstate and national highway projects which have heavier truck volumes.

HCAS Subcommittee Review

The Task Force’s Highway Cost Allocation Subcommittee reviewed the Highway Cost Allocation Study (HCAS) performed by Battelle and accepted the results of the study.

The subcommittee adopted the Highway Cost Allocation Study Preliminary Report as presented. The subcommittee added the following provisions to the recommendation they sent to the Governor’s Task Force on Modernizing Transportation Funding in Idaho:

- 1. The HCAS Subcommittee notes that there are policy questions implicit in the 2010 Idaho Highway Cost Allocation Study (Preliminary Report, Table S.1., page v.) related to surface transportation expenditure of federal dollars and GARVEE dollars. In recent media releases, the media has often focused on policy options in Table S.1. that include expenditure of federal dollars and “full GARVEE” dollars without consideration of the fact that there are equity ratio options that involve neither federal expenditure or “full GARVEE” expenditure. The HCAS Subcommittee makes the recommendation to adopt the preliminary report as it is written and makes no recommendation on the policy options contained in Table S.1., or any other policy-related section, of the preliminary report.*

2. *The HCAS Subcommittee notes that, assuming no unexpected delays, the time frame estimated by ITD to have the “. . . capability for further refinement (of equity ratio calculations) upon receipt of new information when, and if, submitted is approximately January 2011;” i.e. at the beginning of the 2011 Idaho legislative session.*

Following these actions, during its August 31, 2010, meeting, the full task force voted to follow the subcommittee’s recommendations and accept the study with the same provisions approved by the subcommittee.

Subcommittee Members

- John McGee, State Senator, Chairman, Senate Transportation Committee
- JoAn Wood, State Representative, Chairman, House Transportation and Defense Committee
- Mark Bowen, Co-Chairman; Past Chair, Boise Metro Chamber of Commerce
- Bill Killen, State Representative
- Jim Kempton, Co-Chairman; President, Idaho Public Utilities Commission
- Edgar Malepeai, State Senator
- Shawn Keough, State Senator
- James Riley, President, Intermountain Forest Association

CHAPTER 7

Potential Sources of Additional Revenue

Revenue Options to Increase Transportation Funding

The task force reviewed many options—both traditional and non-traditional—for generating additional transportation funding to meet Idaho’s funding needs. Some options would produce large revenue increases, and some would produce only small amounts of additional revenue. Some options were deemed to have a high likelihood of public acceptance, others were deemed to be lacking in public support.

The following list contains the revenue options explored by the task force, and provides a brief description of each option. (Refer to the Appendix for further information.)

Increase State Fuel Tax Rates

Fuel taxes are Idaho’s largest source of transportation funding. In FY09 they comprised more than 65 percent of Highway Distribution Account revenue.

Idaho’s state fuel taxes are “pure user fees” paid by all who drive on Idaho roads—including non-residents who travel in Idaho. The amount of fuel tax paid by drivers is based on the gallons of fuel they purchase. The average Idaho driver purchases about 600 gallons of fuel per year.

The current state fuel tax rates are:

- Gasoline 25¢ per gallon
- Diesel 25¢ per gallon
- Special Fuel 25¢ per gallon (*Special fuel includes everything that is not gasoline, including diesel*)

Idaho’s fuel tax rate was last raised in 1996 to 25 cents per gallon. Due to inflation, the actual buying power for road and street construction has dropped from 25 cents in 1996 to 14 cents in 2010, a trend which is expected to continue.

The table below shows the additional revenue that would be generated annually by state fuel tax increases from 1¢ to 5¢ per gallon.

Fuel Tax increase	Avg. Additional Cost to Each Motorist per Year	Avg. Additional Cost to Each Motorist per Month	Additional Revenue Generated Annually
1 cent	\$6	\$0.50	\$8.2 Million
2 cents	\$12	\$1.00	\$16.4 Million
3 cents	\$18	\$1.50	\$24.6 Million
4 cents	\$24	\$2.00	\$32.8 Million
5 cents	\$30	\$2.50	\$41.0 Million

Index State Fuel Tax Rates

States that index fuel tax rates generally base the tax rates on the Consumer Price Index-Urban (CPI-U). States do this to protect the purchasing power of their fuel taxes from inflation.

Impose a Transfer Fee

The Idaho Petroleum Clean Water Trust Fund Act imposes a one-cent-per-gallon transfer fee on the delivery or storage of petroleum or petroleum products in the state. The fund provides liability insurance for eligible distributors to pay for the cleanup of accidental petroleum product releases or spills. Licensed fuel distributors who are the first receivers of fuel in Idaho pay the one-cent-per-gallon transfer fee on each gallon of petroleum product they receive. This mechanism could be used as a potential revenue option for transportation needs.

Increase Vehicle Registration Fees

Registration fees are a major source of revenue, providing more than 30% of Highway Distribution Account revenue.

Idaho's vehicle registration fees are based on a multi-tiered system using vehicle age and/or weight in the following categories:

- Passenger cars (the task force also considered indexing this registration)
- Non-commercial trucks
- Commercial trucks (the task force also considered reinstituting a weight-distance tax on trucks beginning at 26,000 pounds gross vehicle weight)

Dedicated Sales Tax on Auto Sales, Parts, Tires, and Accessories

This option would impose a sales or excise tax on transportation-related products such as vehicle sales, auto parts, tires, and accessories.

Excise Tax on Rental Car Fees

A motor vehicle rental tax on the daily rental fee could be established to fund transportation-related needs.

Vehicle Miles Traveled Fee

A fee assessed to each vehicle based on the number of miles driven would be a true user fee. It would provide funding based on the user-pay principle. This option has been studied by several states but comes with significant implementation challenges.

Unlike fuel taxes, a tax based on the number of vehicle miles traveled (VMT) would protect transportation revenues against the effects of ever-increasing vehicle fuel efficiency and the use of alternative fuels such as electricity or hydrogen.

Development Impact Fees

Impact fees would provide new revenue to pay for transportation on local systems only, and would be paid by developers who construct new shopping centers, housing developments, or any other developments that increase the burden on the transportation system.

Local Option Fuel Taxes

This option would be in addition to the statewide fuel tax rate in local areas.

Local Option Sales Taxes

Idaho's current local-option sales taxes are intended to mitigate the increased cost of city or county services resulting from resort activity. This option is limited in Idaho Code to cities or counties where resort activity is a major portion of the economy (certain other restrictions apply).

Local Option Registration Fees

This option would be in addition to the statewide registration fees in local areas.

Taxes on Alternative Fuels and Hybrid Vehicles

This option would assess taxes on hybrid vehicles and fuels other than gasoline and diesel, such as propane and hydrogen, and would require an amendment to Idaho Code.

Other Fee Sources

The task force also considered the following other sources of potential transportation funding:

- Surcharge Sales Tax on Auto Tires and Parts
- Excise Tax on Tires
- Excise Tax on Studded Tires
- STARS (State Tax Anticipation Revenue)
- Value Based Vehicle Registration
- Dyed Fuel Compliance
- General Fund Appropriation
- Adjust Current Fees
- Road Development Agreements
- Recreation Incentives

Options Considered but Not Recommended for Current Action

- Toll Roads
- Fuel Sales tax on Wholesale Fuel Price
- Congestion Pricing
- High-Occupancy Toll (HOT) Lanes

Idaho State Police (ISP) Funding Sources

The Governor's task force reviewed several sources of potential ISP funding provided by the Legislative Alternative Funding Task Force, including:

- Increase vehicle registration fee
- Increase driver's license fee
- Dedicated sales tax on transportation items
- Tire fee
- Statewide DUI impound fee
- Surcharge on local and wireless access lines
- Sales tax
- Increase recreational vehicle registrations
- Auto dealer vehicle sales tax
- Increase titling fee
- Vehicle insurance surcharge

Public Transportation

As the task force worked to build a clear picture of transportation needs across Idaho, Lt. Governor Little created a Public Transportation Subcommittee to report to the full task force regarding modernizing funding for public transportation. The subcommittee was charged with evaluating Idaho's long-term public transportation needs and identifying funding options to meet those needs.

Public Transportation Subcommittee Members

- David Bennion (Subcommittee Chair)
- Chuck Winder, State Senator
- Bill Killen, State Representative
- Gordon Cruickshank, Valley County Commissioner
- Shawn Keough, State Senator
- Marv Hagedorn, State Representative
- Leon Smith, State Representative

Overview of Meetings

The Public Transportation Subcommittee held four meetings to determine their recommendations for the full task force for modernizing funding for public transportation. In those meetings they explored the history of public transportation funding in Idaho, the various modes of transportation, the needs and cost estimates for public transportation, and the funding options available to meet those needs.

The first meeting was centered on clarifying the detail of the subcommittee's mission and scope of effort. The mission and guiding principles established were to (1) define public transportation in Idaho; (2) identify the elements that integrate planning and coordination across political boundaries to provide efficient public transportation systems that meet the needs of the people; and (3) address funding sources available to address public transportation needs.

The second subcommittee meeting focused on a discussion of current funding for public transportation in Idaho, an overview of the state and federal sources that fund Idaho public transportation, and how to best distribute funding given Idaho's largely rural communities. In addition, communities might need funding to improve or add walkways and bike paths as part of their mobility plan. The subcommittee was presented information on funding options and examples for how other states manage public transportation funding. The subcommittee concluded they needed to better understand the estimated costs associated with public transportation needs.

The third meeting delved into the issues of current costs and funding needs. The subcommittee was presented a cost estimate report of public transportation needs in Idaho, including operating and capital costs that was developed in part with data provided by MPOs and cost estimates for rural areas collected by an outside consultant. This presentation estimated capital replacement costs for current public transportation statewide to be \$8 million annually. In addition, potential public transportation revenue options were identified, the majority of which were identified in a previous meeting of the full task force.

The fourth meeting included a review and ranking of local funding options and finalizing of recommendations to be made to the full task force. The following subcommittee recommendations were presented to the full task force on August 31, 2010.

Public Transportation Subcommittee Recommendations

- Define the regional plan or plan boundaries as determined by either regional transit authorities, joint power agreements among local governments, or single jurisdictions with specific revenue sources to be pursued to fund public transportation; and performance measures, goals, and milestones to be measured during implementation of the plans.
- Describe the specific projects, programs, services, projected costs, and timeline to be funded in the plan. This is the part of the plan that would address coordination with other regions and coordination within the existing region.
- State and define the specific revenue sources to be pursued. This would be from the recommended options listed below, available to the region or local jurisdictions.
 - User Fees and Fares — User fees could be used as a revenue source to fund costs. User fees cannot be used for matching dollars for federal funding.
 - Local Option Sales Tax — Idaho law allows the imposition of a sales tax on certain goods and services on a local option basis. Currently, the state imposes a general sales tax of 6% (subject to a variety of exemptions). This option would allow—on a city or county basis—the imposition of an additional sales tax for the purpose of a regional mobility network.
 - Local Option Resort Tax — This law is already in effect for populations under 10,000. The law would require removal of the population restriction and consideration of expansion to counties.
 - Local Option Real Property Taxes — All local governments and “districts,” but not Regional Public Transportation Authorities (RPTAs), are permitted to levy property taxes within limits established by the Legislature. Cities and counties are also permitted to spend public funds on public transportation. This tax is the principal source of local “match” funds currently used for local public transportation services and capital expenditures. The amount available is controlled by the budgeting process within each taxing entity (amounts not available). There is no statutory limitation on how much may be used for public transportation.
 - Impact Fees — Impact fees are intended to help pay for one-time infrastructure requirements (generally roads) generated by development. Cities and counties may also impose impact fees for parks and other public areas. The formula in law for determining acceptable impact fees is controversial, complicated, and not related to the factors of the capital and operating expenses of transit systems. Consideration should be given to re-writing the code to make it less complicated and allow use for transit capital improvements related to new construction/impacts brought by growth.
- Define the performance measures, goals, and milestones that will be measured during the implementation of the plan.

Note: The subcommittee estimated the annual cost to maintain the current statewide public transportation system to be \$8 million.

CHAPTER 8

Final Resolution



COPY

BRAD LITTLE
LIEUTENANT GOVERNOR

December 1, 2010

VIA HAND-DELIVERY

Honorable C.L. "Butch" Otter
Idaho State Capitol
P.O. Box 83720
Boise, ID 83720

Dear Governor Otter:

I am pleased to share with you the recommendations of the Governor's Task Force on Modernizing Transportation Funding in Idaho. It was my honor to chair this committee and to work with members who selflessly gave their time, energy and unique expertise to this important effort. I believe the work of the Task Force will provide a blueprint for addressing Idaho's crucial transportation needs in the future.

Throughout this process, I believe the Task Force was able to examine the efficiencies and credibility of the Idaho Transportation Department. ITD worked tirelessly to provide information to the Task Force, and I feel that their solid efforts were invaluable to the final outcome.

First, and perhaps most importantly, the Task Force members solidly confirmed Idaho's real and significant transportation funding shortfall. We learned that revenue amounts in the \$200 million range would only cover needs to maintain the transportation infrastructure we already have. Other needs for capacity and safety enhancement were also determined to be well into the \$200 million range – if not higher. This is very concerning for a state that is one of the fastest growing in the nation.

The Task Force did not make a recommendation for how revenue enhancement should be timed or phased in, due to the volatility of our current economy. There was agreement that now is not the time to address this growing problem. However, several members expressed concern that waiting will only make the problem worse and more costly to solve – another problem for our struggling economy. Clearly, Idaho's transportation funding challenge must be addressed as soon as possible to ensure a strong economy for our great state and avoid leaving an unacceptable burden for our next

Honorable C.L. "Butch" Otter
December 1, 2010
Page 2

generation. As a wise man once said, "Deferring necessary maintenance is the equivalent of deficit spending." If revenue generation is not forthcoming, I recommend we ask ITD and locals to prioritize limited resources for only the most vital needs.

At the Task Force's final meeting last week, the members voted to submit to you and the Legislature a list of revenue options that were ranked by the task force members. The rankings considered everything from fairness to revenue predictability to cost and ease of implementation. This information will be tremendously beneficial when revenue enhancement is pursued.

Please find this information attached, along with the Task Force's final resolution and other recommendations that address several key areas such as cost equity and public transportation.

Very truly yours,

A handwritten signature in black ink, appearing to read "Brad Little", with a stylized, cursive script.

Brad Little

BL/ad
Encls.

**GOVERNOR'S TASK FORCE ON MODERNIZING
TRANSPORTATION FUNDING IN IDAHO
FINAL RESOLUTIONS
December 1, 2010**

WHEREAS, Governor C.L. “Butch” Otter, established the “Governor’s Task Force on Modernizing Transportation Funding in Idaho” (hereinafter Task Force); and

WHEREAS, the Task Force was asked by the Governor to:

- Consider both traditional and nontraditional sources of revenue for maintenance and preservation of highways and bridges including, but not limited to, the rates, methods and manner of calculating any and all taxes, fees and registrations relating to fuels, motor vehicles, and motor carriers, and
- Consider whether all users are paying their reasonably equitable proportion of highway and road costs; and

WHEREAS, the Task Force at their first meeting on August 6, 2009, adopted eight principles to guide their work: 1) Safety as a top priority, 2) open to all funding sources, 3) include State and Local systems, 4) funding and finance framework must generate sufficient resources to meet current and future needs, 5) users should bear costs to the greatest extent possible, 6) address equity, 7) use a 20-year perspective, and 8) incorporate dynamic models; and

WHEREAS, the Task Force in a series of meetings from August, 2009 through November, 2010, heard testimony and presentations on transportation issues from numerous members of the public, consulting firms, transportation-related organizations, and State and local governments, on various topics including, but not limited to:

- Public transportation funding, needs and potential funding sources (including 2004 Public Transportation Task Force summary)
- Local highway jurisdiction funding and needs
- Metropolitan Planning Organization funding and needs
- Enhancing system capacity
- Local Mobility Network System
- Cost estimates for rural and small urban transit needs
- Highway Cost Allocation and the 2010 Highway Cost Allocation Study for Idaho

WHEREAS, the Task Force agreed with studies and projections showing that federal aid transportation funds (which provide the majority of funding for transportation projects in Idaho) will remain essentially flat or decrease for the foreseeable future and cannot be relied upon to solve the lack of adequate transportation funding in Idaho; and

WHEREAS, for economic competitiveness, it is essential we invest in a sustainable and effective road and highway system to protect existing jobs and compete for new and better careers and thriving businesses; and

WHEREAS, local jurisdictions have different funding needs, the current distribution formula may not meet all funding needs; and

WHEREAS, the Idaho Transportation Department presented information to the Task Force concerning improving efficiency through the use of performance management and performance measures, the Statewide long-range transportation plan and management systems for ITD; and local governments presented the results of the Local Highway Efficiency Summit, including the use of best management practices, cooperative agreements and activities, and the efficient use of manpower, equipment and materials for local agencies; and

WHEREAS, the Public Transportation Subcommittee held four meetings to study the needs and funding of public transportation in Idaho, and made recommendations to the Task Force concerning the establishment of regional transportation plans as determined by either regional transit authorities, joint power agreements among local governments, or single jurisdictions with specific revenue sources to be pursued to fund public transportation, and performance measures, goals and milestones to be measured during implementation of the plans; and

WHEREAS, the Office of Performance Evaluations (Legislative) Audit released in January 2009 found that current funding for transportation cannot keep pace with the growth in costs to meet Idaho's basic transportation needs, and that a significant revenue increase is merited; and

WHEREAS, information presented to the Task Force has shown that the needs on both the State and local transportation systems far exceed the revenues that are currently available to address those needs, and the Task Force studied funding scenarios for additional revenue necessary to address transportation system needs, and, through a survey of the Task Force members, derived average additional amounts of \$155 million annually as necessary for operation, preservation and restoration of the state system, \$107 million annually for the local systems, \$207 million annually as necessary for capacity and safety enhancement for the state system and \$74 million for the local system; and

WHEREAS, studies have shown that delaying the required maintenance of pavements and bridges beyond the ideal maintenance schedule due to lack of funding results in significantly increased per year costs to maintain the roadway and bridges, eventually requiring them to be restored to new; and

WHEREAS, the Task Force believes it is in the State's best interest to move toward a transportation financing system that is more evenly balanced between State and federal funds, and that it is crucial to have State funds available to match federal funds made available to Idaho; and

WHEREAS, having accepted the 2010 Highway Cost Allocation Study prepared for Idaho by the Battelle Memorial Institute, the Task Force believes the State should maintain a balanced system of cost responsibility between broad classes of vehicles, but should do so in a way that does not place an undue financial burden on a single class of highway users or hamper the competitiveness of Idaho businesses; and

WHEREAS, the Task Force supports full compliance with current law resulting in increased collection of tax revenues through reduction of fuel tax fraud and avoidance; and

WHEREAS, the Task Force heard presentations on and studied numerous potential transportation revenue sources and, through a survey of the Task Force members, rated each of these options according to criteria such as “fairness,” “public acceptance,” “predictability,” “cost effectiveness of implementation,” “readiness,” “competitiveness,” and “out of state equity,” and ranked these options according to their average rating on a revenue options matrix, with the intent of using these potential funding sources as a basis for recommending options to the Governor and Legislature for increasing revenue for transportation programs in Idaho.

NOW, THEREFORE BE IT RESOLVED:

The Governor’s Task Force on Modernizing Transportation Funding in Idaho makes the following recommendations: That the Task Force, strongly supporting a nationally standardized use-based fee system in the future for transportation, recommends a mileage and use-based system of raising transportation revenue. This use-based system could include a vehicle miles traveled fee as technology, privacy issues, and public acceptance allows.

BE IT FURTHER RESOLVED, the Task Force recommends:

- 1) The final report of the committee be forwarded to the Governor and the Legislature which identifies the level of need for funding Idaho’s transportation system and lists, in priority fashion, the tools that could be used to achieve the funding when the Governor and the Legislature have determined that conditions warrant an increase.
- 2) Aligning revenue enhancement to improve cost equity among various vehicle classes based on State funds and the GARVEE “debt service” analysis provided in the 2010 Idaho Highway Cost Allocation Study, which shows automobiles currently have an equity ratio of 1.08 and combination trucks have an equity ratio of .86 and consider phasing these changes over several years.
- 3) Implementing the recommendations of the Public Transportation Subcommittee to allow local jurisdictions to increase funding for public transportation using the options outlined in the public transportation portion of the revenue options matrix.
- 4) The germane committees examine the revenue allocation formula to local jurisdictions to evaluate whether the amount needs to be increased or decreased consistent with user-pay principles. Further, the germane committees examine implementing new methods to allocate funds to local jurisdictions in a manner that incentivizes efficiency and ensures funds are allocated in a manner that can be most efficiently employed.
- 5) Accepting the recommendation of the Legislative Alternative Funding Task Force, so long as the Constitutional restriction on fuel tax specific to road revenue is satisfied, to continue the 3% distribution from the state fuel tax to the Idaho Department of Parks and Recreation. This would require action in the 2011 Legislature to repeal a portion of HB 376 and HB 457 pertaining to the Idaho Department of Parks and Recreation.
- 6) Concurring with the recommendation of the Legislative Alternative Funding Task Force to address a legislated shift of funds from ISP to the State Highway Account (Idaho Transportation Department).

Appendix



C.L. "BUTCH" OTTER
GOVERNOR

EXECUTIVE DEPARTMENT
STATE OF IDAHO
BOISE

EXECUTIVE ORDER NO. 2009-11

**ESTABLISHING A GUBERNATORIAL TASK FORCE ON MODERNIZING
TRANSPORTATION FUNDING IN IDAHO**

WHEREAS, the Idaho Transportation Department (ITD) has responsibility for approximately 12,000 lane miles of highway and over 1,760 bridges in Idaho; and

WHEREAS, a reliable, resilient and effective transportation system is essential for public safety and Idaho's long-term economic prosperity; and

WHEREAS, the current transportation revenue structure will not meet our pressing or long-term transportation funding needs; and

WHEREAS, a recent legislative audit found that current funding for transportation cannot keep pace with the growth in costs to meet Idaho's basic transportation needs of preserving and restoring Idaho's highways and bridges; and

WHEREAS, the same legislative audit determined that a significant revenue enhancement is merited; and

WHEREAS, solutions to Idaho's transportation funding challenge should be user based; and

WHEREAS, a review of such issues should be done in a comprehensive, measured and deliberative manner, providing a wide array of policy options to move transportation funding forward for Idaho; and

WHEREAS, the Idaho Legislature passed HCR 34 during the 2009 Legislative Session supporting the creation of a task force to evaluate transportation issues;

NOW, THEREFORE, I, C.L. "Butch" Otter, Governor of the State of Idaho, by the authority vested in me under the Constitution and laws of the State of Idaho do hereby order the following:

- 1. The creation of a Gubernatorial Task Force on Modernizing Transportation Funding in Idaho (Task Force);*
- 2. The Task Force shall consist of fifteen members and two non-voting, ex officio members. The membership shall include:*
 - a. The Lieutenant Governor;*
 - b. The Chair of the Senate Transportation Committee;*
 - c. The Chair of the House Transportation and Defense Committee;*
 - d. Four members of the Idaho House of Representatives, including a member from the minority party;*
 - e. Four members of the Idaho Senate, including a member from the minority party;*
 - f. Four members of the public, knowledgeable in the state's transportation system and funding mechanisms; and*
 - g. The Chair of the ITD board and another ITD board member as non-voting, ex officio members.*
- 3. All appointments shall be made by the Governor. The chair and vice chair of the Task Force shall be selected by the Governor from the members of the Task Force;*
- 4. The Task Force shall consider both traditional and non-traditional sources of revenue for maintenance and preservation of highways and bridges, including but not limited to possible*

revisions to the rates, methods and manner of calculating any and all taxes, fees and registrations relating to fuels, motor vehicles and motor carriers;

- 5. The Task Force shall provide findings and recommendations consistent with section 4 of this executive order to the Governor by December 1, 2010;*
- 6. The Task Force shall draft and present legislation for consideration by the Idaho Legislature during the 2011 legislative session;*
- 7. ITD shall staff the Task Force and cover all associated costs; and*
- 8. The Task Force shall cease to exist on and after July 1, 2011.*



IN WITNESS WHEREOF, I have hereunto set my hand and caused to be affixed the Great Seal of the State of Idaho in Boise on this 23rd day of June in the year of our Lord two thousand and nine and of the Independence of the United States of America the two hundred thirty-third and of the Statehood of Idaho the one hundred nineteenth.

A handwritten signature in blue ink, reading "C.L. 'Butch' Otter".

C.L. "BUTCH" OTTER
GOVERNOR

A handwritten signature in black ink, reading "Ben Ysursa".

BEN YSURSA
SECRETARY OF STATE